Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Petition of the Verizon Telephone Companies for Declaratory Ruling or, Alternatively, for Interim Waiver with Regard to Broadband Services Provided via Fiber to the Premises and Verizon's Conditional Petition for Forbearance Under 47 U.S.C. § 160(c) with Regard to Broadband Services Provided via Fiber to the Premises	)	WC Docket No. 04-242

REPLY COMMENTS OF SBC COMMUNICATIONS, INC.

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Introduction and Summary

Many of the comments in this proceeding — those of AT&T and Earthlink, for example — reduce to a stale refrain. They essentially contend that, because the LECs historically were subject to unbundling and access requirements for their provision of basic, narrowband bottleneck telecommunications services, the Commission must reflexively apply that same legacy regulatory framework to the new, fiber-intensive broadband services that will help shape the core of the new Information Age. Ironically, AT&T seeks to support this bankrupt approach in large part based on the fact that the BOCs' cable competitors have successfully *avoided* such requirements because the Commission has recognized that the market for new broadband will best flourish if deregulated. And the misdirected arguments AT&T manufactures in its effort to derail the interim relief Verizon seeks for fiber-intensive broadband offerings are simply an attempt to obscure the real challenge before the Commission: shaping policies and regulations that create incentives for the new broadband technologies that promise to revolutionize

communications. There is no question that, on the merits, that paradigm should embrace deregulation, level the playing field, and permit broadband to flourish in an open and competitive marketplace. And there is similarly no disputing that the 1996 Act provides the Commission with myriad procedural means to make this deregulatory vision a reality.

Discussion

Robust broadband deployment is, and must be, one of the Commission's top priorities. As Chairman Powell noted over three years ago, "[t]he widespread deployment of broadband infrastructure has become the central communications policy objective today."[1] More recently, Commissioner Abernathy reiterated that "this Commission has no higher priority than facilitating the deployment of broadband networks."[2] This makes sense. Broadband is the backbone of all the new and innovative services that are being offered and developed today and promise to change the face of communications tomorrow.[3] And the fiber-intensive broadband infrastructure that Verizon, SBC, and others are poised to roll out *today* will be a critical part of the country's multifaceted, advanced communications network, along with cable modem networks, wireless

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1 Michael K. Powell, Chairman, FCC, "Digital Broadband Migration" Part II, FCC Press Conference (October 23, 2001); *see also, e.g.,* Hearing Designation Order, *Echostar Communications Corp.*, 17 FCC Rcd 20559, 20664 ¶ 285 (2002) ("Insofar as the broadband market is concerned, encouraging the development and provision of broadband service over competing platforms is an objective of the Communications Act and has been given special priority by the Commission."); Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, 18 FCC Rcd 16978, 17504 (separate statement of Chairman Michael K. Powell) (2003) ("*Triennial Review Order*") ("I have long stated that broadband deployment is the most central communications policy objective of our day.").

2 Notice of Inquiry, *Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, 19 FCC Rcd 5156, 5156 (2004) (separate statement of Commissioner Abernathy).

3 *See, e.g.,* Notice of Proposed Rulemaking, *Appropriate Framework for Broadband Access to the Internet Over Wireline Facilities*, 17 FCC Rcd 3019, 3027 ¶ 13 (2002) ("Today . . . the capabilities made possible by broadband capable facilities enable the deployment of new, bandwidth-intensive, multimedia information services, which in turn drive the use and further deployment of broadband capable facilities.").

systems, and new power utility-based systems, all of which provide alternative broadband infrastructure.

This makes it terribly important to get the regulatory framework for at least these new fiber-intensive broadband offerings "right" from the beginning — even while the Commission continues to look more broadly at how DSL and other advanced service offerings should be regulated. The Commission has repeatedly recognized the detrimental effects on investment and innovation that are caused by imposing burdensome regulation on new technologies.[4] And such detrimental effects are especially likely where the regulation was not designed for the technology and services at issue or for the market in which the services are offered. In such cases, the uncertainty alone — concerning how and to what extent the regulations fit, and what they require — can suppress or at least delay investment.[5]

Indeed, it is precisely for these reasons that the Commission, in its *Cable Modem Order*, adopted a manifestly deregulatory approach with respect to cable modem services. As the Commission recognized, applying Title II's onerous requirements to cable modem services would "disserve the goal of Section 706" to encourage the deployment of advanced

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4 *See, e.g., Triennial Review Order* at 17149 ¶ 288 (recognizing that applying unbundling obligations to "next-generation network elements would blunt the deployment of advanced telecommunications infrastructure by incumbent LECs and the incentive for competitive LECs to invest in their own facilities, in direct opposition to the express statutory goals authorized in section 706."); Declaratory Ruling and Notice of Proposed Rulemaking, *Inquiry Concerning High-Speed Access to the Internet Over Cable and Other Facilities,* 17 FCC Rcd 4798, 4802 ¶ 5 (2002) ("*Cable Modem Order*"), *rev'd on other grounds sub nom. Brand X Internet Services v. FCC*, 345 F. 3d 1120 (9th Cir. 2003), *petitions for certiorari pending* ("[W]e seek to remove regulatory uncertainty that in itself may discourage investment and innovation.").

5 *See Cable Modem Order* at 4802 ¶ 5; Notice of Proposed Rulemaking, *1998 Biennial Regulatory Review - Review of Computer III and ONA Safeguards and Requirements*, 17 FCC Rcd 3019, 3022-23 ¶ 5 (2002) (stating that its "policy and regulatory framework will work to foster investment and innovation in these networks by limiting regulatory uncertainty and unnecessary or unduly burdensome regulatory costs"); Second Report and Order, *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, 9 FCC Rcd 1411, 1421 ¶ 25 (1994) (Noting that "a stable and predictable federal regulatory environment . . . is conducive to continued investment . . . [and] minimiz[es] regulatory uncertainty and any consequent chilling of investment activity.").

telecommunications.[6] And it was for similar reasons that the Commission, twenty-odd years ago, created an entirely new, proactive, deregulatory paradigm for information services.[7] That same bold, proactive approach is necessary with respect to wireline fiber-intensive broadband services today.

Although AT&T, Earthlink, Covad, and others focus on alleged procedural bars to the relief Verizon seeks, what they appear really to be arguing is that the Commission has gone far enough: that having deregulated cable modem service, the Commission cannot even think of deregulating the new fiber-intensive broadband services that promise to compete with cable modem providers. Similarly, they appear to contend that, having deregulated information services and imposed specific regulatory burdens on the BOCs to help jumpstart the ESP/ISP industry, the Commission can never take account of changes in technology, competition, and the market in general in deciding how to treat new services and technologies the BOCs offer. Instead, they demand that the Commission forever and without further inquiry apply a 20-year-old-plus regulatory framework to technologies and services that were not even envisioned in the 1980s.

But these positions make no sense. As noted in SBC's opening comments, the Commission's most recent data confirm that, as of December 2003, cable modem service held the overwhelming share of today's broadband subscribers, controlling approximately two thirds of high speed lines (defined as delivering over 200 kbps in one direction) used by residential and

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6 *Cable Modem Order* at 4826 ¶ 47; 47 U.S.C. § 157nt(a) (directing the Commission to "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans").

7 Final Decision, *Amendment of Section 64.702 of the Commission's Rules and Regulations (Second Computer Inquiry)*, 77 F.C.C.2d 384, 387 ¶ 7 (recognizing that "the absence of traditional public utility regulation of enhanced services offers the greatest potential for efficient utilization and full exploitation of the interstate telecommunications network"); *see also id.* at 431-32 ¶ 123 (stating that subjecting enhanced services "to a common carrier scheme of regulation . . . would negate the dynamics . . . in this area").

small business customers, and *85%* of today's advanced services lines (over 200 kbps in *both* directions).[8] In such circumstances, it is patently unreasonable to insist that the Commission, having deregulated the leading provider of broadband services, must continue to regulate entirely new services offered by the competing provider simply because such regulation always has applied to other services offered by that provider in the past. The situation demands proactive regulatory reform.

The same is true with respect to the reflexive application of the *Computer II/III* rules to the entirely new technology and offerings that fiber-intensive broadband comprise. Those rules were designed for narrowband services and bottleneck facilities as to which the BOCs were undeniably dominant. But the fiber-intensive broadband facilities and services at issue here require new deployment, which the BOCs must undertake in the face of fierce competition by other facilities-based CLECs, cable providers, and wireless and satellite operators. The rationales underlying the old regulatory regime, and the assumptions about access and opportunities, no longer apply. Here again, the only approach that makes sense is a new one that looks forward, not back.[9]

The 1996 Act is geared specifically to permit the Commission to adopt that type of forward-looking, innovative approach. As SBC noted in its opening comments, Congress provided the Commission with an array of regulatory tools in the Act: forbearance and biennial review, for example, as well as various regulations that may or do sunset. In addition, the

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[8] *High Speed Services for Internet Access: Status as of December 31, 2003*, Industry Analysis and Technology Division, Wireline Competition Bureau, Tables 3 & 4 (rel. June 8, 2004).

[9] This of course is true for DSL and other advanced services generally. However, the case for deregulation on an interim basis of new fiber-intensive services is even stronger: these services are being rolled out today, and the Commission has the opportunity to get it right from the beginning, rather than wait to fix mistakes later.

Commission has its waiver powers, as well as its general Title I authority to regulate new facilities and services in the manner that will best "make available . . . to all the people of the United States, . . . a rapid, efficient, nationwide, and world-wide wire and radio communication service with adequate facilities at reasonable charges[.]"[10] And section 706 of the Act expresses in very clear terms Congress's view that the Act was designed to provide the Commission with various tools — including "price cap regulation, regulatory forbearance, measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment" — to "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans."[11] As the Commission has noted, the 1996 Act requires the Commission to adopt new frameworks and approaches for new technologies and changed markets, reflecting "the need to minimize both regulation of broadband services and regulatory uncertainty in order to promote investment and innovation in a competitive market."[12] In short, the Commission has the means needed to bring about overdue regulatory reform provided that it also has the will.

The comments filed by AT&T and others seek to erect roadblocks to this or that procedural tool, hoping in that way to show the Commission that it cannot — at least not now, at

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10 47 U.S.C. § 151.

11 47 U.S.C. § 157nt(a). Section 706(c) defines "advanced telecommunications capability" as "high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology." *Id.* § 157nt(c)(1).

12 *Cable Modem Order* at 4840 ¶ 73; *Triennial Review Order* at 17124 ¶ 241 ("We also look to promote the potential of broadband in a minimally regulated environment in accordance with the de-regulatory intent of the 1996 Act."); Joint Explanatory Statement of the Committee of Conference, H.R. Conf. Rep. No. 458, 104th Cong., 2d Sess. at 113 (1996) (purpose of the 1996 Act is "to provide for a pro-competitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition"). *Cf.* 47 U.S.C. § 230(b)(2) ("It is the policy of the United States . . . to preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by Federal or State regulation.").

this juncture, or in this way — afford near-term regulatory relief to fiber-intensive wireline broadband services. These arguments not only lack merit; they also miss the mark. It may be true, as AT&T argues, that standing alone, each of the various means of relief Verizon seeks has some shortcoming or leaves some gap. But AT&T's piecemeal approach overlooks the most powerful tool at the Commission's disposal, which is the ability to use its various regulatory tools in tandem as a belt and suspenders approach to achieve correct policy results. The Commission can (and should) declare that wireline fiber-intensive broadband services are information services that should be deregulated in the same manner as cable modem services, and can then waive and forbear from any Title II obligations that might otherwise apply when Verizon (and other LECs) offer those services. Much as AT&T seeks to detract from the success of this approach in the *Cable Modem Order,* that decision indisputably underscores the importance — and efficacy — of using such a multifaceted approach. There, in order to ensure that cable modem services would be free of burdensome regulation, the Commission not only declared cable modem services to be Title I information services, but also backed that relief up through waiver and tentative forbearance.[13] Here, too, the correct policy outcome is clear, and various regulatory tools can get the Commission part or all of the way there. The Commission can and should use these tools together to reinforce and shore up the result it seeks to implement. This, in itself, is a necessary part of the new paradigm required to achieve deregulation across the board in the broadband market.

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[13] *Cable Modem Order* at 4819 ¶ 33, 4825-26 ¶ 45, 4847-48 ¶ 95 (tentatively concluding "that enforcement of Title II provisions and common carrier regulation is not necessary for the protection of consumers"). Contrary to AT&T's claim, *Brand X* does nothing to undermine the Commission's conclusions in this regard. The *Brand X* court focused only on the cable modem classification issue, an issue it resolved as a matter of *stare decisis* by looking to pre-*Cable Modem* order precedent *without* considering the substance of the Commission's analysis. The Ninth Circuit explicitly declined to consider other claims raised by the *Cable Modem Order*, including the Commission's waiving of the *Computer II* requirements for cable companies that offer local exchange service. *Brand X*, 345 F.3d at 1132 n.14.

In any case, there is no merit to AT&T's and others' various procedural arguments. First, the Commission's rules expressly permit the Commission to issue declaratory rulings that "terminat[e] a controversy or remov[e] uncertainty." 47 C.F.R. § 1.2. Unless one accepts AT&T's truism that every BOC service is reflexively regulated in precisely the same way — a statement that ignores the regulatory treatment of BOC video and wireless offerings — there necessarily is some uncertainty about the correct classification or regulation of entirely new fiber-intensive broadband services that are not even delivered over the pre-existing, last mile legacy network and that may even bear characteristics of several different types of services. Declaratory relief is indisputably appropriate for clarifying the appropriate regulatory classification with respect to a new service offering.[14] Although AT&T claims that "binding rules . . . govern Verizon's . . . service," AT&T Comments at 4, it is far from clear that legacy regulatory requirements that were designed for services provided over the narrowband telephone network apply to ILECs' new, fiber-intensive broadband offerings.[15] To the contrary, as noted in SBC's opening comments, the Commission's determinations in the *Cable Modem Order* and its tentative conclusion in the *Wireline Broadband NPRM* and the *ILEC Broadband NPRM* support the opposite conclusion — i.e., that the Commission should extend the same deregulatory framework to wireline broadband services that already has been applied to cable modem service.

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[14] *See e.g.*, Memorandum Opinion and Order, *Petition for Declaratory Ruling That Pulver.com's Free World Dialup Is Neither Telecommunications Nor a Telecommunications Service*, 19 FCC Rcd 3307 (2004); Declaratory Ruling, *Telecommunications Relay Services, and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, 18 FCC Rcd 16121 (2003).

[15] In any event, AT&T's objection to using declaratory rulings to address the status of new technologies is quite ironic given its own use of declaratory ruling petitions to seek relief directly contrary to well-established law for pre-existing services, where the only "uncertainty" was generated by AT&T itself. *See* AT&T Corp.'s Petition for Declaratory Ruling in WC Docket No. 03-133, filed May 15, 2003; AT&T Corp.'s Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services Are Exempt from Access Charges in WC Docket No. 02-361, filed October 18, 2002.

Second, whether or not a declaratory ruling would or could provide sufficient deregulatory relief, the Commission can and should exercise its waiver and forbearance authority to ensure that fiber-intensive wireline broadband services are afforded the same deregulatory relief that cable modem service has received. While AT&T is of course correct that the Commission's waiver authority applies only to its own rules, AT&T Comments at 9, the Commission's forbearance authority on its face applies to provisions of the Act as well,[16] and the Commission has before it requests that support its use of both these tools together. As to forbearance, AT&T's chief arguments — that section 10(d) and section 271(d)(4) bar the Commission from granting forbearance from 271 requirements — have been extensively refuted in other proceedings,[17] and, in any event, hardly go the heart of the matter. They relate solely to the question whether new fiber-intensive broadband facilities would still be subject to section 271 checklist requirements — a question not even specifically raised by Verizon's petitions, and one that has little relevance to whether new fiber-intensive broadband *services* ought to be deregulated just as cable modem services are.

The more substantive arguments the commenters raise with respect to whether Verizon has met the standards for forbearance and waiver have already been extensively addressed by Verizon and SBC in the opening comments.[18] As these comments explain, there is good cause for waiving onerous requirements to fiber-intensive wireline broadband services because such

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16 47 U.S.C. § 160(a).

17 *See, e.g.*, Reply Comments of Verizon, *Petition for Forbearance of the Verizon Telephone Companies*, filed in CC Docket No. 01-338, Nov. 26, 2003, at 16.

18 In addition, numerous commenters recognize the importance of granting Verizon's petitions to promoting sound broadband policy. *See, e.g.*, Corning Inc. Comments, Alcatel North America Comments, Ciena Corp. Comments; National Black Chamber of Commerce Comments.

one-sided regulation deters investment and skews the competitive marketplace, allowing cable modem providers — which already have been granted deregulatory relief — to increase their market lead. Likewise, the robust competition in the broadband market faced by ILECs clearly illustrates that enforcement of legacy regulatory requirements is not necessary (1) "to ensure that the charges, practices, classifications, or regulations" for wireline broadband service "are just and reasonable and are not unjustly or unreasonably discriminatory" or (2) "for the protection of consumers." And (3) forbearance is plainly consistent with the public interest, because it will promote broadband investment and the deployment of new and advanced services to the Nation.[19]

AT&T's suggestion that the broadband market lacks true competition because it is simply a duopoly, *see* AT&T Comments at 11, is wrong. First, AT&T itself has previously sung the praises of the competitive broadband market, arguing that the competition between wireline broadband and cable modem was sufficient to protect consumers and the public generally even if cable modem service were exempt from regulation.[20] Second, AT&T has it backward. The BOCs offer one of the best sources of introducing and growing real competition, especially using new, fiber-intensive technologies that would allow them to offer a more robust competitive alternative. Achieving a truly competitive market calls for *unleashing* competition, not restraining it because the result might be *two* strong competitors, rather than one. Such increased

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19 47 U.S.C. § 160(a).

20 *See* Memorandum Opinion and Order, *Applications for Consent to the Transfer of Control of Licenses from Comcast Corp. and AT&T Corp..*, 17 FCC Rcd 23246, 23298-99 ¶ 133 (2002) (noting AT&T and Comcast's argument that their cable broadband services would face stiff competition from DSL and other broadband providers); Memorandum Opinion and Order, *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Tele-Communications, Inc., Transferor to AT&T Corp., Transferee*, 14 FCC Rcd 3160, 3199-3200 ¶ 80 (1999) (noting AT&T-TCI's argument "that there are many emerging substitutes for broadband services like those provided by @Home").

competition clearly serves consumer interests: the planned fiber rollouts of SBC and others will power a network that can "deliver[] a new generation of integrated digital TV, super-high-speed broadband and voice over IP (Internet Protocol) services to residential and small business customers."[21] Consumers thus will enjoy price competition and a diversity of offerings not only for broadband, but for video, and for the developing "triple play" market that combines voice, video, and data services.

And of course, the BOCs are not the only competitors that stand ready to compete. Wireless providers in particular, not to mention satellite and utility providers, are poised to pick up more and more broadband market share over time, and would no doubt do so even more quickly if wireline broadband or cable modem service began to charge unreasonable rates or implement unreasonable practices. Moreover, the broadband market is only just emerging and significant demand remains untapped; even the *combined* portion of the market that the cable modem and wireline broadband providers share barely scratches the surface. There is no basis for predicting, today, that no other technology will achieve meaningful market penetration or that dynamic technological change and network convergence that have characterized the market to date will not continue. In any event, the Commission has already concluded that it is *not* necessary to regulate cable modem, wireless, or satellite broadband services in order to protect consumers and promote just and reasonable practices. Those conclusions make it legally

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[21] Press Release, "SBC Communications Announces Advances In Initiative To Develop IP-Based Residential Network For Integrated Video, Internet, VoIP Services" (June 22, 2004), *available at* http://www.sbc.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=21207 ("SBC FTTN Press Release").

indefensible to insist that regulation of a competing service with a lesser market share than at least one of these competitors *must* remain regulated to protect these same interests.[22]

It is no answer to insist that if new fiber-intensive broadband services are deregulated, unaffiliated ISPs will "have no way to reach broadband Internet subscribers." AT&T Comments at 11. As an initial matter, ILECs are not the only provider of wholesale broadband services to ISPs; cable, satellite and wireless providers also regularly enter into wholesale arrangements with unaffiliated ISPs.[23] In addition, CLECs are another possible source of wholesale business for ISPs; as the Commission noted in the *Triennial Review Order*, "competitive LECs are leading the deployment" of "fiber to the premises" facilities, and "unbundled access to incumbent LEC copper subloops," combined with the continued "availability of [time-division-multiplexing]-based loops. . . provide competitive LECs with a range of options for providing broadband capabilities."[24] And the fear that providing Verizon with regulatory relief "would foreclose access by [ISPs] from yet another broadband transmission medium," Earthlink, Inc. Comments at 11, ignores economic reality: because incumbent LECs face intense intermodal competition from the market-leading cable modem platform, ILECs will have every incentive to

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22 Indeed, to the extent dominant common carrier regulation applies to ILECs' broadband services today, it is not because the Commission has examined the market and determined that the ILECs hold a dominant position, but simply because the ILECs remain mired in a default regulatory regime that was created for and intended for different services provided in different market conditions.

23 Tenth Annual Report, *Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, 19 FCC Rcd 1606, 1643 ¶ 54 (2004) (describing cable operators that offer consumers a choice among multiple ISPs); Press Release, "Earthlink Partners with DigitalPath Networks to Offer Wireless Broadband in Northern California" (rel. May 19, 2004), *available at* http://www.earthlink.net/about/press/pr_digitalpath_nca/.

24 *Triennial Review Order* at 17145 ¶ 278, 17151 ¶ 291.

find ways to keep traffic "on-net" to cover their enormous investments, including through the provision of wholesale service offering to unaffiliated ISPs.[25]

Finally, there is no question that the public interest not only would be served by but mandates forbearance. Relief with respect to fiber-intensive wireline broadband offerings is necessary to secure the enormous investment required to deploy these facilities. The suggestion by some opponents to Verizon's petitions, that investment incentives are not an issue because incumbents already have invested in fiber-intensive networks, AT&T Comments at 14, Covad Communications Opposition at 4-5, ALTS Comments at 5, misses the point: fiber deployment clearly is in its very early infancy, and the Commission itself has recognized that significant investment will be required to roll out fiber on a wide scale basis.[26] FTTP deployment costs are estimated to be as much as $2,000 per home served,[27] and SBC anticipates that deployment of its FTTN architecture will cost between *$4 billion and $6 billion* during the five-year rollout period.[28] As noted by the Commission, incumbents are unlikely to make those substantial investments in the face of burdensome regulatory requirements.[29]

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25 This principle is demonstrated in the analogous context of the elimination of UNE broadband unbundling requirements; even after the *Triennial Review Order's* elimination of these requirements, ILECs have voluntarily entered into wholesale arrangements with CLECs. *See, e.g.,* Press Release, "SBC, Sage Telecom Reach Wholesale Telecom Services Agreement" (rel. April 3, 2004), *available at* http://www.sbc.com/gen/press-room?pid=5097&cdvn=news&newsarticleid=21080.

26 *Triennial Review Order* at 16984 ¶ 3.

27 Steve Rosenbush, *Verizon's Gutsy Bet*, Business Week Online, Aug. 4, 2003 (citing market researcher Render, Vanderslice & Associates).

28 *Id.* In addition, according to one estimate, deploying VDSL costs approximately $1,000 per customer. Ted Appel, *Next Level Gets $20 Million Loan*, THE PRESS DEMOCRAT, Dec. 19, 2001, 2001 WL 25865439.

29 *Triennial Review Order* at 16984 ¶ 3.

Conclusion

For the reasons set forth above, the Commission should grant Verizon's petitions in order to accomplish the Commission's and the Act's goal of widespread broadband deployment. In doing so, the Commission should make clear that the deregulatory framework it already has adopted with respect to cable modem service will apply to all fiber-intensive broadband wireline services — those described in Verizon's petition, as well as similar fiber-intensive wireline broadband offerings that SBC and others are now poised to deploy.

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August 2, 2004

CERTIFICATE OF SERVICE

I do hereby certify that I have caused (1) the foregoing Reply Comments of SBC Communications Inc. to be filed with the FCC, via its Electronic Comment Filing System, in WC Docket 04-242; (2) a copy of the Reply Comments to be served, via e-mail, on Ms. Janice Myles, Competition Policy Division, Wireline Competition Bureau, Federal Communications Commission, via janice.myles@fcc.gov; and (3) a copy of the Reply Comments to be served via e-mail on the FCC's duplicating contractor, Best Copy and Printing, Inc., via fcc@bcpiweb.com.

/s/ Kathryn Reilly
Kathryn Reilly

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